GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4107
ANSWERED ON:09.08.2002
MERGER OF IDBI AND IFCI
RAMDAS ATHAWALE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to reduce the non-performing assets of the IFCI andto merge IFCI with IOBI keeping in view of the same service conditions of both financial institutions;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the remedial steps taken by the Government to bailout the IFCI from the present crisis?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE):

(a) No, Sir.

(b) Does not arise.

(C) and (d) A financial package of Rs. 1000 crores was approved by Government of India (GOI)during 20012002, of which Rs. 400 crores was- provided by GOI through subscribing to 20 yearconvertible debentures of IFCI, the balance to be contributed by the major .hareholders. On the request of IFCI, GOI have recently lgreed to extend the period of guarantee on partof IFCI`s Jomestic borrowings and also the guarantee on the raising)f US$ 100 million foreign borrowings so as to enable IFCI neet its immediate repayment obligations.